

Friday, June 6th, 2008

Big Ideas: There is quite a dearth of them in Washington these days. To create a football analogy, the Democratic leadership believes that they have a two touchdown lead in the 4th quarter before the November election and so they are in a prevent defense and running off-tackle running plays so they don't fumble the political football before then. That is why they are pushing this year's budget/appropriations bills off until January and not doing anything substantive about energy or immigration or anything else that is not on deadline.

So, they definitely do not want to take on the looming entitlement crisis, about which I have told you before, that threatens our fiscal soundness and future standard of living. Every expert (conservative, liberal and in between) agrees that Social Security, Medicare and Medicaid, if left alone, will eat up 100% of the tax rates you pay today by 2040. That means that every tax on everybody by then would have to be more than double the rates they are today if we are to keep any of the rest of government functions like the military, judges, parks, unemployment insurance and the like. And every year we wait, the problem, and the current deficit, get worse. As an aside, this is another reason why socializing medicine is such a stupid idea. We can't even pay for the part of medicine the government already controls not to mention paying for more. But back to the main point, we should be acting to reform these systems now, or at the very least, having a discussion about different ideas for reform.

But this Congress is not a place of big ideas. They are too risky. Someone can always find something wrong with them.

But at least one of my colleagues, Paul Ryan (R-WI), has jumped into the breach. I think that Paul is one of the brightest and most capable members of Congress in either party. Congressman Ryan has launched, after a year of work, what he calls "a Roadmap for America's Future" to solve the nation's long term economic and fiscal crisis. In this work, he says that there are 3 goals of any plan to deal with this crisis:

1. Fulfill the mission of health and retirement security for all Americans
2. Lift the burden of debt from future generations
3. Ensure American jobs and competitiveness for the 21st Century

Most liberal ideas will only meet one of two of these goals. For example, socializing medicine and raising taxes to do it will, at best, only solve number 2 above and maybe part of number 1. But it would leave us uncompetitive in a world economy in which others are lowering taxes such that we now have some of the highest tax rates of industrialized countries. His proposal accomplishes all 3 of these goals.

So what is this roadmap? in short he proposes to do all of the following:

- Shift ownership of health insurance and medical plans from employers and government, to individuals. Give every American a refundable tax credit to pay for it, but allow them to get their own plans, and own their own plans, and let the marketplace keep prices low. The refundable tax credit will provide coverage for those unemployed, low income or indigent and help middle income people with the cost.
- Allow workers under 55 years old to shift a portion of their social security funds into government approved personal accounts to obtain better returns.
- Convert both Medicare and Medicaid into reimbursement systems for privately obtained health plans.
- Put in place the Taxpayer Choice Act, of which Paul and I are the lead sponsors, which creates a 2-rate, no-deduction optional flat tax
- Eliminate the corporate income tax and move to an 8.5% "business consumption tax" in order to reward successful companies who come to the US rather than penalize them.

Pretty bold stuff, huh? And it all balances the budget into the future. There are lots of details (obviously) that I have left out. And there are a few things I would change or add. But it is a great piece of work and the basic concepts are sound. To see more details, go to www.americanroadmap.org

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We need to start thinking big or we will soon be living very small.

Until next week, I remain respectfully,

Congressman John Campbell